GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:522
ANSWERED ON:11.05.2007
USE OF HAWALA ROUTES BY EXPORTERS
Yadav Shri M. Anjan Kumar

Will the Minister of FINANCE be pleased to state:

(a) the number of cases of over valuation by exporters detected during the last three years;

(b) the action taken by the Government in those cases;

(c) whether exporters have been booked for utilizing domestic banking channels to bring in foreign remittances by creating fake identities;

(d) if so, the action taken against them during the last three years;

(e) whether exporters are also utilising Hawala routes to bring in foreign remittances; and

(f) if so, the action taken against them during the last three years?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI P.CHIDAMBARAM)

(a) to (f): A statement is placed on the Table of the House.

Statement in Reply to Lok Sabha Starred Question No.#522 (Position No 1) for Answer on 11.05.2007

a) During the last three years (2004-05 to 2006-07), 176 cases of over valuation of export goods have been detected, involving export incentive/duty evasion amounting to Rs 1246.61 crores. The details of such cases are given below:

YEAR	NO. OF CASES	AMOUNT OF EXPORT INCENTIVE/DUTY INVOLVED(Rs in crores)
2004-05	71	142.56
2005-06	67	118.18
2006-07	47	1027.88

(b) The Government has taken appropriate action under the Customs Act, 1962, including imposition of fine/penalty and recovery of the export incentive wrongly availed of/duty evaded. In some cases, the attempt to wrongly avail of the export incentives was thwarted and the export incentive was blocked by the Customs authorities/DGFT. In the above cases, 60 persons have been arrested under the Customs Act, 1962.

(c) & (d) No case has been booked against exporters for utilizing domestic banking channels to bring in foreign remittances by creating fake identities.

(e) & (f) The Government has registered one case during 2005-06 against four exporters for arranging payments from Dubai towards export proceeds. In this case, adjudication proceedings (under FEMA, 1999) are in progress.